



Department of Medical Assistance Services  
600 East Broad Street, Suite 1300  
Richmond, Virginia 23219

<http://www.dmas.state.va.us>

# MEDICAID MEMO

**TO:** All Providers participating in the Virginia Medical Assistance Program, FAMIS, and SLH and Managed Care Organizations providing services to Virginia Medicaid and FAMIS recipients

**FROM:** Patrick W. Finnerty, Director  
Department of Medical Assistance Services

**MEMO** Special

**DATE** 11/20/2003

**SUBJECT:** Mandatory Use of ASC X12 Formats for Electronic Transactions

The purpose of this memorandum is to notify you that the Department of Medical Assistance Services (DMAS) will require the use of ASC X12 837 formats for electronic transactions effective January 1, 2004. **Therefore, Trading Partners who plan to submit electronic transactions must use ASC X12 837 formats as of January 1, 2004.** A Trading Partner is a provider, managed care organization, clearinghouse, or software vendor that exchanges electronic transactions directly with DMAS. Paper claims will continue to be accepted.

The HIPAA Final Rule required all affected entities to become HIPAA compliant as of October 16, 2003. Although later guidance issued by CMS did not extend the compliance date, it allowed additional time for Trading Partners to complete testing and conversion to the new standards, and directed each state to determine when the transition to the new electronic standards would become mandatory. In a September 17, 2003, Medicaid Memorandum, DMAS announced its HIPAA contingency plan to extend the acceptance of National Standard Format (NSF) Claims, Local Codes, and Prior Authorizations (Local Codes) through December 31, 2003. On September 25, 2003, the Centers for Medicare and Medicaid Services (CMS) announced a contingency plan to extend the NSF formats and Local Codes for an unspecified time.

## **Elimination of Local Codes**

DMAS will not accept local codes for claims with dates of service after December 31, 2003. If you submit electronic or paper claims with local codes that have dates of service after December 31, 2003, the claims will be denied. The majority of local codes were identified with "Y" or "Z"

as the first character in the code. DMAS has developed a crosswalk for local codes to standard national codes (Healthcare Common Procedure Coding System, Level 1-111 and the Current Dental Terminology). This crosswalk can be viewed and printed from the DMAS website at: <http://www.dmas.state.va.us>.

### **Elimination of Paper Remittance Advices for 835-Electronic Transaction Trading Partners**

DMAS has advised its Fiscal Agent to stop sending the paper remittance advices to its Trading Partners that are currently receiving the 835-Electronic Remittance Advices, as of January 1, 2004, unless the provider makes a request for an extension. This is part of a continuing effort by DMAS to reduce health care administrative costs, one of the primary objectives that HIPAA was designed to achieve. The use of electronic transaction capabilities can help accomplish this goal while improving the efficiency and accuracy of exchanging health care information. Therefore, if you are currently receiving both paper and electronic remittance advices, **DMAS will stop sending the paper remittance advices as of January 1, 2004, absent a request for an extension. To extend the paper delivery, a Trading Partner must contact the FHSC EDI Help Desk at (800) 924-6741 by December 15, 2003. (Please note the new number.)** It is DMAS' intent to phase out the paper generation and delivery for Trading Partners receiving the 835-Electronic Remittance Advices by June 30, 2004. Trading Partners that receive the 835-Electronic Remittance Advices will continue to receive a 277-Unsolicited transaction as well. The 277-Unsolicited transaction gives Trading Partners Pended Claims information.

If you are a Trading Partner that is currently in the process of testing the ASC X12 835-Electronic Remittance Advices, DMAS will provide paper remittance advices for a period of 30 days from the date you are approved to receive 835-Electronic Remittance Advices in production. The Provider Service Center Authorization form allows a provider to request an extension of paper remittances by checking a box on the form under the section titled "PLEASE EXTEND MY PAPER REMITTANCE ADVICES AFTER 12/31/03 FOR:" up to 180 days. **The forms are located at <http://virginia.fhsc.com>.** At any time, a Trading Partner can request that paper remittance advices be discontinued. **To discontinue the paper delivery, a Trading Partner should contact the FHSC EDI Help Desk at (800) 924-6741.**

### **DMAS' HIPAA WEBSITE**

For up-to-date information on DMAS' HIPAA compliance initiatives, continue to check our website at: <http://www.dmas.state.va.us>.

### **ELIGIBILITY AND CLAIMS STATUS INFORMATION**

DMAS offers a web-based Internet option to access information regarding Medicaid eligibility, claims status, check status, service limits, prior authorization, and pharmacy prescriber identification information. The website address to use to enroll for access to this system is <http://virginia.fhsc.com>. The MediCall voice response system will provide the same information and can be accessed by calling 800-884-9730 or 800-772-9996. Both options are available at no cost to the provider.

### **COPIES OF MANUALS**

DMAS publishes electronic and printable copies of its provider manuals and Medicaid Memoranda on the DMAS website at [www.dmas.state.va.us](http://www.dmas.state.va.us). Refer to the Provider Column to find Medicaid and SLH provider manuals or click on “Medicaid Memos to Providers” to view Medicaid Memoranda. The Internet is the most efficient means to receive and review current provider information. If you do not have access to the Internet, or would like a paper copy of a manual, you can order these by contacting Commonwealth-Martin at 804-780-0076. A fee will be charged for the printing and mailing of the manuals and manual updates requested.

### **“HELPLINE”**

The “HELPLINE” is available Monday through Friday from 8:30 a.m. to 4:30 p.m., except State holidays, to answer questions. The “HELPLINE” numbers are:

786-6273	Richmond area
1-800-552-8627	All other areas

Please remember that the “HELPLINE” is for provider use only.

Attachment (1)



## PROVIDER SERVICE CENTER AUTHORIZATION

Please review and check the block(s) which pertain to you:

### ☐ SERVICE CENTER AUTHORIZATION:

I certify that I have authorized the following service center(s) to submit electronic transactions to Department of Medical Assistance Services until such time as I notify First Health Services otherwise:

(Name of Service Center Preparing Electronic Transactions)

#### **If adding a new Service Center or a new Transaction:**

**Service Center Number:** \_\_\_\_\_ **Begin Date:** \_\_\_\_\_  
**Electronic Transaction Types Submitted:** \_\_\_\_\_ Eligibility Req./Resp. (270/271) \_\_\_\_\_ Claims Status Req./Resp. (276/277)  
\_\_\_\_\_ Prior Authorization Req./Resp. (278/278) \_\_\_\_\_ Dental (837 D) \_\_\_\_\_ Institutional (837 I) \_\_\_\_\_ Professional (837 P)  
\_\_\_\_\_ Pharmacy (NCPDP – batch)

#### **If terminating a Service Center or a Transaction:**

**Service Center Number:** \_\_\_\_\_ **End Date:** \_\_\_\_\_  
**Terminated Electronic Transaction Types:** \_\_\_\_\_ Eligibility Req./Resp. (270/271) \_\_\_\_\_ Claims Status Req./Resp. (276/277)  
\_\_\_\_\_ Prior Authorization Req./Resp. (278/278) \_\_\_\_\_ Remittance Advice (835) \_\_\_\_\_ Dental (837 D) \_\_\_\_\_ Institutional (837 I)  
\_\_\_\_\_ Professional (837 P) \_\_\_\_\_ Pharmacy (NCPDP – batch)

### ☐ ELECTRONIC REMITTANCE REQUEST (835)

I certify that I have authorized the following service center to receive and process my electronic remittances. Although I can have multiple service centers submitting claims for me, I understand that only one service center can accept and process my electronic remittance and that service center must have prior approval from First Health Services to receive electronic remittances. I am also aware that 30 days after I start getting electronic remittances, all paper remittances will cease unless an extension is requested as below.

**Service Center to receive my electronic remittances (835):** \_\_\_\_\_

#### **PLEASE EXTEND MY PAPER REMITTANCE ADVICES AFTER 12/31/03 FOR:**

☐ 30 Days      ☐ 60 Days      ☐ 90 Days      ☐ 120 Days      ☐ 150 Days      ☐ 180 Days

I understand that I am responsible for the information presented on these invoices and that the information is true, accurate, and complete. I further understand that payment and satisfaction of these claims will be from federal and state funds and that false claims, statements, documents, or concealment of material facts may be prosecuted under applicable federal and state laws. This agreement will become effective when executed by both parties and may be amended only in writing, similarly executed.

**PROVIDER NAME:** \_\_\_\_\_ **PROVIDER NUMBER:** \_\_\_\_\_

**SIGNATURE:** \_\_\_\_\_

**DATE:** \_\_\_\_\_ **TELEPHONE #:** \_\_\_\_\_

**Mail Original or Fax to:**

First Health Services Corporation  
Electronic Media Claims Coordinator  
Virginia Medicaid Operations  
4300 Cox Road  
Glen Allen, Virginia 23060  
Phone Number: (800) 924-6741 -- **Fax Number: (804) 273-6797**